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IIPA Welcomes USTR Attention on Opening Major Copyright Markets

Special 301 Report Highlights Market Access and Enforcement Challenges in China, Russia, and India; Notes Improvements in Italy, and Increasing Concern with Lack of Progress in Switzerland

Washington—Today the International Intellectual Property Alliance® (IIPA®) welcomed the *2015 Special 301 Report* issued by the Office of the United States Trade Representative (USTR). This annual report sets out many of the major impediments to expanding legitimate global commerce in creative works, due to the lack of effective copyright protection or other market distorting measures.

Growth in legitimate commerce is critical to the health of our creative economy. Unfortunately, inadequate enforcement of copyright and other trade barriers increasingly hinder this growth, including in key markets highlighted by USTR like China, India, and Russia. USTR's report identifies barriers to overseas markets, and also summarizes both persistent and emerging global trends, especially in the online and mobile marketplaces, that impede the ability of lawful services to compete.

According to Steven J. Metalitz, Counsel to IIPA, "Special 301 remains one of our nation's key trade tools to promote adequate and effective protection for U.S. intellectual property and fair and equitable market access for the U.S. businesses that depend upon it."

Metalitz continued, "This year, USTR properly focuses attention on core issues and themes affecting the creative sectors of our country – which contribute over \$1.1 trillion to the U.S. economy, and account for nearly 5.5 million U.S. jobs."

"IIPA appreciates the Administration's continued commitment to address tariff and non-tariff trade barriers such as market access restrictions and piracy, with the goal of achieving specific improvements which will in turn translate to greater economic growth," Metalitz noted.

Metalitz concluded, "As online and mobile networks grow, so do the opportunities – but also the challenges – for the American creative community. These challenges are found not only in major emerging markets, such as China, India and Brazil, but also elsewhere, such as Switzerland. The U.S. copyright industries look forward to working with USTR and with agencies across the U.S. government to encourage our trading partners to make concrete progress toward stronger and more open copyright marketplaces."

In today's announcement:

- USTR lists 13 countries on the Priority Watch List, including key copyright markets like Chile, China, India, Indonesia, Russia, Thailand, and Ukraine;
- USTR lists 24 on the Watch List, including key markets for creators like Brazil, Canada, Colombia, Mexico, and Vietnam;
- USTR announces 5 Out-of-Cycle Reviews, including in Spain.

IIPA's full report and more materials can be found at <http://www.iipa.com/special301.html>.



USTR 2015 Special 301 Decisions (IIPA Recommended Countries in Bold)		
Priority Watch List	Watch List ¹	Out-of-Cycle Reviews
Algeria Argentina Chile China (306)² Ecuador India Indonesia Kuwait Pakistan Russian Federation Thailand Ukraine Venezuela	Barbados Belarus Bolivia Brazil Bulgaria Canada Colombia Costa Rica Dominican Republic Egypt Greece Guatemala Jamaica Lebanon Mexico Paraguay (OCR) Peru Romania Tajikistan (OCR) Trinidad And Tobago Turkey Turkmenistan (OCR) Uzbekistan Vietnam³	Honduras Spain
13	24	2

About the IIPA: IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyrighted materials and to open foreign markets closed by piracy and other market access barriers. Members of the IIPA include [Association of American Publishers \(www.publishers.org\)](http://www.publishers.org), [Entertainment Software Association \(www.theesa.com\)](http://www.theesa.com), [Independent Film & Television Alliance \(www.ifta-online.org\)](http://www.ifta-online.org), [Motion Picture Association of America \(www.mpa.org\)](http://www.mpa.org), and [Recording Industry Association of America \(www.riaa.com\)](http://www.riaa.com). IIPA's five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment software including interactive video games for consoles, handheld devices, personal computers and the Internet, and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

In December 2014, IIPA released the latest update of its comprehensive economic report, *Copyright Industries in the U.S. Economy: The 2014 Report*, prepared by Stephen E. Siwek of Economists Inc. According to the report, the "core" copyright industries in the U.S. generated over \$1.1 trillion dollars of economic output in 2013, accounting for 6.71% of the entire economy. The core copyright industries also employed nearly 5.5 million workers in 2013, accounting for over 4% of the entire U.S. workforce, and nearly 5% of total private employment in the U.S. These workers earn on average 34% higher wages than other U.S. employees. The core copyright industries also outpaced the U.S. economy, growing at 3.9% between 2009 and 2013, while the U.S. economy grew by 2.25%. When factoring in other industries that contribute to the copyright economy (which together make up the "total" copyright industries), the numbers are even more compelling. Finally, the report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. In 2013, these sectors contributed \$156 billion in foreign sales and exports, exceeding that of many other industry sectors, including: chemicals, aerospace products and parts, agriculture, and pharmaceuticals and medicines.⁴

¹IIPA recommended that Switzerland, Taiwan, and United Arab Emirates be added to the Watch List.

²The notation "306" refers to monitoring of a country's compliance with trade agreements with the U.S. under Section 306 of the Trade Act.

³IIPA recommended that Vietnam be elevated to the Priority Watch List.

⁴See Stephen E. Siwek, *Copyright Industries in the U.S. Economy: The 2014 Report*, December 17, 2014. The report can be accessed at http://www.iipa.com/copyright_us_economy.html. Core copyright industries are those whose primary purpose is to create, produce, distribute, or exhibit copyright materials.